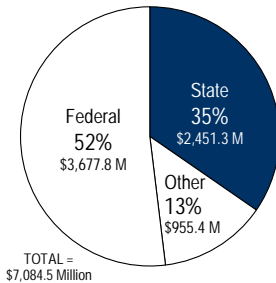


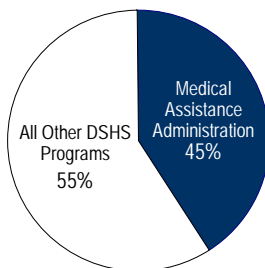
Funding Sources

2003-05 Biennium



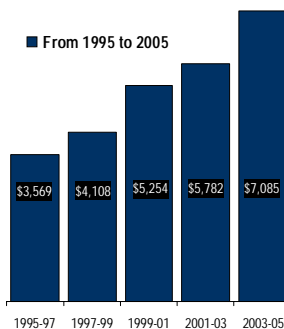
The Medical Assistance Budget

As a Percent of the DSHS Budget
All Funds



Funding Trend

Total Dollars to Medical Assistance
(In Millions)



CONTACTS

PROGRAM FISCAL CONTACT
Thuy Hua-Ly, 360.725.1855
hualyth@dsht.wa.gov

DSHS BUDGET CONTACT
Steve Cole, 360.902.8067
colesm@dsht.wa.gov
www1.dshs.wa.gov/budget

Persons with disabilities or special needs may
call the Budget Information Line at
360.902.8255 and request a hard copy.

THE MEDICAL ASSISTANCE ADMINISTRATION (MAA) provides a health care safety net for families, the elderly, and disabled persons. In Fiscal Year 2003, over 866,000 Washington residents were eligible for services administered by MAA. Many of these clients were members of working families, more than 63 percent were children. Almost 95 percent were covered through the federal/state Medicaid program. Over half of Medical Assistance beneficiaries received no cash assistance during Fiscal Year 2003. About 32 percent were recipients of Temporary Assistance for Needy Families (TANF) grants while another 15 percent received disability grants (i.e., Supplemental Security Income or General Assistance-Unemployable/Expedited Medicaid/Disabled).

2003-05 BIENNIUM FUNDING

Authorized spending for the Medical Assistance Administration in 2003-05 is **\$7,084.5 million** (\$2,451.3 million GF-S), with 981 full-time equivalent positions (FTEs) supporting the program priorities below:

FAMILY MEDICAL

The state's welfare program provides aid to children and adults who care for them. Families with dependent children under the age of 19, whose income and resources are below TANF limits, may receive both TANF cash benefits and "categorically needy" medical. This program also covers low-income families not relying on assistance. *\$1,394.1 million (\$565.7 million GF-S; \$721.2 million GF-F; \$107.2 million Other)*

DISABLED

Funded in this category are blind or disabled persons with income and resources below federal Supplemental Security Income (SSI) limits who receive categorically needy Medicaid coverage and higher income disabled persons who need institutional level care. *\$1,909.4 million (\$912.8 million GF-S; \$994.4 million GF-F; \$2.2 million Other)*

MAA ADMINISTRATION

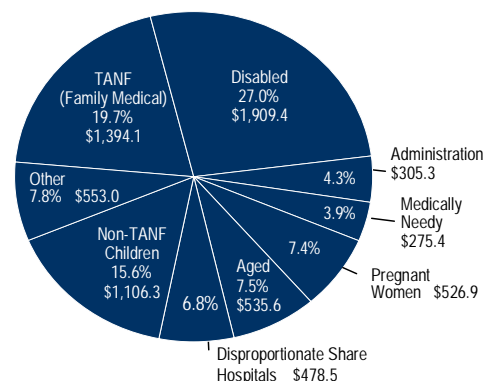
4.3 percent of expenditures support the various medical assistance programs administered by the Medical Assistance Administration and its Division of Disabilities Determination Services. *\$305.3 million (\$49.5 million GF-S; \$248.8 million GF-F; \$7.0 million Other)*

2003-05 Biennial Base Funding

Initial Allotment

Total = \$7,084.5 Million

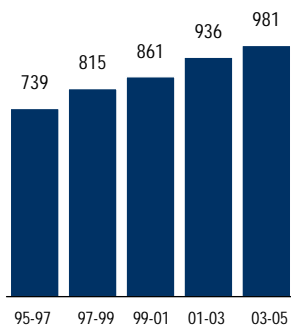
NOTE: CHARTS REFLECT TOTAL MEDICAL ASSISTANCE
EXPENDITURES. UPPER PAYMENT LIMIT (PROSHARE)
TRANSACTIONS WITH PUBLIC HEALTH HOSPITALS &
NURSING HOMES ARE EXCLUDED FOR THE PERIOD 1999-01
FORWARD.



¹ "Other" includes Children's Health Insurance Program (CHIP), Family Planning, Indian Health, GAU-ADATSA, Refugee Assistance, Qualified Medicare Beneficiaries, Special Programs, Hospital Trauma Payments...

Budgeted FTEs

Medical Assistance Total

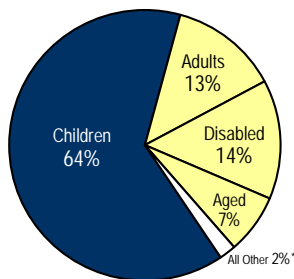


Biennial Drug Costs

2003-05 Biennium Forecast



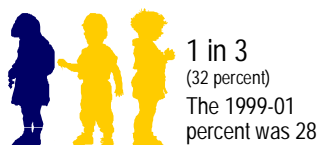
Types of Clients



* Includes General Assistance-Unemployable (GA-U), Medically Indigent (MI), Alcohol and Drug Addiction Treatment and Support Act (ADATSA).

Children Served by 2003-05

Forecast for Biennium End of Total Children's Population, Washington State



MEDICALLY NEEDY

This optional federal and state funded Medicaid program serves aged, blind, and/or disabled persons, and pregnant women, children, and refugees who meet non-financial "categorically needy" rules, but have either resources or family incomes slightly above categorically needy limits. Medical coverage is slightly less than for those who are categorically needy. *\$275.4 million (\$138.4 million GF-S; \$137.0 million GF-F)*

PREGNANT WOMEN

Medical coverage is provided for low-income pregnant women whose incomes fall below 185 percent of the Federal Poverty Level. Pregnant woman can become eligible any time during their pregnancies and – once eligible – continue to maintain coverage through their pregnancy and postpartum period, regardless of changes in income and household composition. *\$526.9 million (\$246.5 million GF-S; \$264.3 million GF-F; \$16.1 million Other)*

AGED

Coverage is provided for those age 65 or older whose incomes and resources fall below federal Supplemental Security Income (SSI) limits that are eligible for categorically needy coverage and higher income elderly who need nursing home level care. *\$535.6 million (\$257.5 million GF-S; \$278.1 million GF-F)*

DISPROPORTIONATE SHARE HOSPITALS

To make care equitable across the state, funding is made available to hospitals that care for an unusually large percentage of persons that have little or no financial resources. *\$478.5 million (\$242.1 million GF-F; \$236.4 million Other)*

CHILDREN

Coverage is provided for newborns whose mothers received medical benefits at the time of their birth and for children under age 19 that have incomes below 200 percent of the Federal Poverty Level. *\$1,106.3 million (\$562.9 million GF-F; \$543.4 million Other)*

OTHER PROGRAMS

Programs included are state-funded Medical Care Services to General Assistance-Unemployable and Alcoholism and Drug Addiction and Treatment and Support Act clients, Payments to Hospitals for Trauma Services, and State Children's Health Insurance Program beneficiaries. *\$553.0 million (\$281.0 million GF-S; \$229.0 million GF-F; \$43.0 million Other)*

FINANCIAL CHALLENGES

CONSOLIDATED DRUG PURCHASING

Medical Assistance Administration, Health Care Authority, and Department of Labor and Industries are consolidating drug purchases through a jointly developed list of drugs prioritized for state-agency purchase. Joint purchasing is to reduce the rate of growth in state spending for drugs by prioritizing purchase of less costly safe and effective brands, and by creating a financial incentive for manufacturers of more expensive brands to provide price discounts. *-\$46.5 million (-\$24.2 million GF-S, -\$22.3 million federal)*

WASHINGTON MEDICAID INTEGRATION PROJECT (WMIP)

DSHS is implementing the WMIP to provide integrated medical, behavioral health and long-term care services for approximately 6,000 aged, blind and disabled clients with an anticipated savings of approximately \$12.7 million (\$6.35 million state) for the MAA program. Implementation of the WMIP is contingent upon CMS finalization of program requirements. *-\$12.6 million (-\$6.3 million GF-S, -\$6.3 million federal)*